



Home > Country Analysis Briefs > [Gabon Country Analysis Brief](#)



PDF version

November 2004

[Background](#) | [Oil](#) | [Natural Gas](#) | [Electricity](#) | [Profile](#) | [Links](#)

Gabon

Gabon is sub-Saharan Africa's fourth largest producer and exporter of crude oil. Because declines in oil production have raised concerns about the longevity of Gabonese reserves, the government has begun to encourage development of the non-oil sector to diversify its economy.

Note: Information contained in this report is the best available as of October 2004 and is subject to change.



GENERAL BACKGROUND

Compared with many other African nations, Gabon has remained relatively peaceful and stable since gaining its independence from France in 1960. President Omar Bongo, first elected in 1967, is Africa's second longest-serving head of state. Opposition parties to the ruling Parti Democratique Gabonais (Gabonese Democratic Party, PDG) were not allowed to function legally before 1990. Although the PDG was victorious in the most recent election, opposition parties have accused it of electoral fraud. Because political opposition to the president remains divided, however, elections scheduled for 2005 are unlikely to bring change. The 2003 passage of a constitutional amendment allows the incumbent president to stand for office an unlimited number of times.

Political stability and ample natural resources are the leading factors contributing to Gabon's \$4,414 per capita gross domestic product (GDP) (2003E), which is four times that of most sub-Saharan African nations. Gabon's wealth is not distributed equitably, as nearly half of the population lives below the poverty line. Gabon's social welfare system, however, compares favorably to other countries in the region. Gabon's Human Development Index (HDI) rating of 0.637 is the eighth highest in Africa, where the average HDI score is 0.48. A social insurance scheme covers benefits for old age, disability, sickness, maternity, and work-related injuries.

Real GDP grew by 2.2% in 2003, but it is expected to decline in coming years as a result of decreases in oil production. Several factors have hindered the growth of Gabon's economy including the government's heavy involvement in economic activities through parastatals and state-owned enterprises, which has led to inefficiencies. Gabon's membership in the CFA Franczone, through which its currency was pegged to the euro in 1998, may also have hindered the Gabonese

economy.

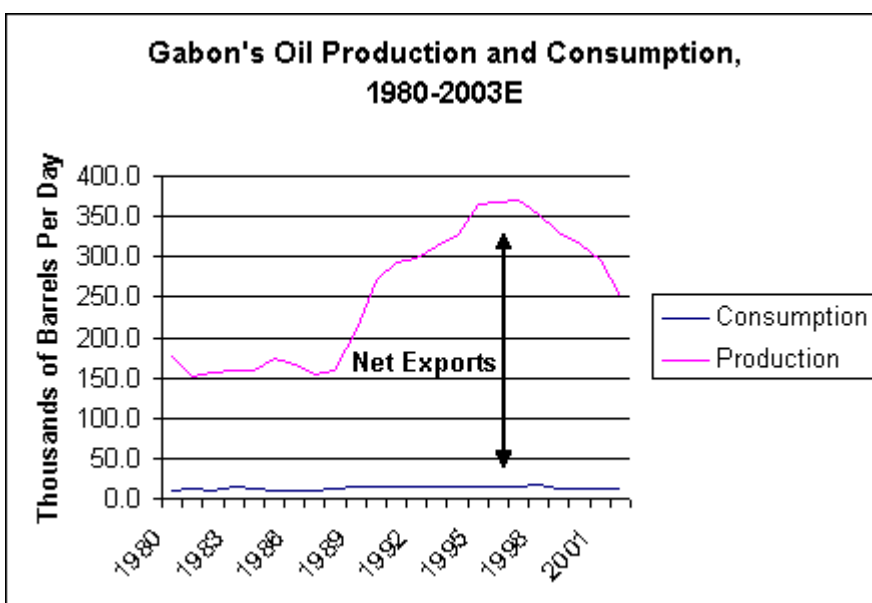
Gabon is almost wholly dependent on oil revenues to fund its economy. Exports of crude oil account for approximately 60% of the government's budget and more than 40% of GDP. In an effort to decrease reliance on oil exports, the government has raised export taxes on timber and manganese. Similarly, the government increased the value-added tax (VAT) from 18% to 25%, but threats of strikes in September 2004 by oil workers ensured that the increase would apply only to luxury goods.

Gabon has committed to tighter fiscal policy and a more transparent budget to relieve its debt burden, expected to reach 66.2% of GDP by 2006. The International Monetary Fund (IMF) introduced a structural reform plan in 1998, and the African Development Bank (AfDB) loaned Gabon US\$14.7 million to encourage privatization. Although the IMF allowed a Gabonese line of credit to collapse in 2002, its support helped Gabon achieve a debt-rescheduling agreement of \$862 million with the Paris Club of international creditors, now due by June 2005.

Gabon was instrumental in forming the Central Africa Economic and Monetary Community (CEMAC), a consortium of six nations hoping to merge their macroeconomic policies and create a common market. The movement culminated in the creation of the Gulf of Guinea Commission, established in 2000 to encourage settlement of conflicts threatening natural resource development. Gabon and Equatorial Guinea disagree regarding oil exploration rights to territories (the Mbagne, Cocotiers and Congas Islands and surrounding waters) in the Bay of Corisco. Gabon temporarily occupied Mbagne in March 2003. In response, Equatorial Guinea sought international support for its sovereignty over the area. In July 2004, the nations agreed to explore jointly in the area until the quarrel is settled by United Nations (UN) mediation.

OIL

Gabon has sub-Saharan Africa's third largest oil reserves (2.5 billion barrels) and is its fourth largest producer. The country produced approximately 289,700 barrels per day (bbl/d) in 2003, a significant decrease from its 1997 high of 371,000 bbl/d. Declines in production have occurred despite the expansion of Gabon's proven oil reserves to 2.5 billion barrels in 2004 from 1.3 billion barrels in 1996. Gabon officially left [OPEC](#) in 1996, citing the organization's high annual dues.



Without the discovery of new fields, however, current production will deplete Gabon's oil reserves by 2012. Over half of Gabon's crude oil shipments are exported to the [United States](#). Much of the rest of Gabon's crude oil goes to [Western Europe](#) and occasionally the Far East. Along with diversifying its economy, the government has emphasized further oil exploration by attracting new investment to the energy sector. Both the legal and tax systems are structured to

favor expatriate investors, and certain aspects of oil exploration are exempt from the VAT.

In February 2004, Gabon created an online oil databank where users can obtain energy information dating back thirty years. Government officials anticipate that the databank will lead to greater transparency in the oil sector. In May 2004, Gabon joined Tony Blair's [Extractive Industries Transparency Initiative \(EITI\)](#) to increase transparency in oil and mining payments from companies to governments. Gabon is hopeful that such measures will increase investment in oil and mining industries.

Gabon's largest oil field, Shell's maturing offshore Rabi-Kounga, currently produces 55,000 bbl/d, down from its 1997 peak of 217,000 bbl/d. In September 2003, [Shell](#) and Elf-Gabon (a joint venture between Total, formerly TotalFinaElf, and the government) announced a ten-year, \$152 million extension of an existing exploration and production-sharing agreement that would have ended in 2007. The extension continues the \$152-million Rabi Phase III project to re-inject associated gas in an effort to extend the productive life of the field.

Other fields in Gabon include Atora (Total), the Tchatamba fields ([Marathon](#)), Etame ([Vaalco](#)), Toucan (Shell), Olowi ([Pioneer](#)), and Pelican, Lucina and Niungo ([Perenco](#)). The Atora onshore field, operated by Total with an estimated 100 million barrels of reserves, is currently producing 20,000 bbl/d. Shell-Gabon holds production-sharing agreements (PSA) for the Douka Marin and Panga Marin blocks.

While Shell and Total are the only large oil firms to remain in Gabon, several smaller fields, operated by smaller firms, have come online in recent years. [PanOcean](#), Vaalco, and [Sasol](#) are involved in the Etame offshore field. In April 2002, Vaalco received a \$10 million investment from the International Finance Corporation (IFC) for its work there. As a result, the ET-5H development well began flowing at 6,400 bbl/d in August 2004. In October 2004, Sasol announced a production increase at Etame from 15,000 bbl/d to 22,000 bbl/d due to the addition of a new horizontal well.

[Pioneer Natural Resources Co.](#) has a PSA covering the Olowi block, three miles south of Gabon's Gamba oil field. [PanAfrican Energy](#) reactivated the Remboue field, making it fully operational in January 2002. [Energy Africa](#) (purchased in May 2004 by Ireland's Tullow Oil) signed a PSA in April 2002 to operate in the area covered by the Akoum permit.

In order to increase production, Gabon's oil ministry has increased the number of PSAs and exploration permits offered to investors. In its last formal licensing round from April 2000 to January 2001, Gabon offered 27 blocks, but response from international petroleum companies was disappointing. Since then, the government has focused on smaller independent firms and Chinese companies in promoting exploration rights.

[Tullow Oil](#) obtained an offshore concession in March 2003, and [PetroSA](#) and Rockover Oil and Gas (both of South Africa) signed onshore contracts in 2003 as well. Gulf of Guinea Petroleum, a Canadian firm, signed a new PSA in February 2004. Chinese-firm [Sinopec](#), who agreed to purchase oil from Total Gabon in February 2004, has also begun to evaluate Gabon's oil holdings.

In August 2004, [Fusion Oil and Gas](#), a subsidiary of [Sterling Energy](#), announced the drilling of a well in the Dussafu area of the Iris Marin block. In July 2004, PanOcean confirmed a 6,600-bbl/d find at its EAVOM-1 exploration well. Similarly, Shell announced an oil discovery at the AWOKOU-1 exploration well on the Koula prospect near the Avocette field in October 2004. The government expects that such finds will encourage new investment in the region.

Refining

The Sogara refinery at Port Gentil is Gabon's only refinery. Opened in 1967, Sogara is jointly owned by the Gabonese government (25%) and a number of international firms led by Total (43.8%), Shell (17%), and Agip (2.5%). The refinery operates at 82% (17,300 bbl/d) of its 21,000 bbl/d nameplate capacity.

NATURAL GAS

Gabon's has natural gas reserves of 1.2 trillion cubic feet (Tcf). The majority of natural gas produced is used in the generation of electricity or as a refinery fuel. Carbide Holdings has proposed the establishment of an iron works that would utilize gas that is currently flared, as well as gas that is re-injected into the Rabi-Kounga field.

ELECTRICITY

Hydroelectric dams account for 76% of Gabon's power production. The primary sites are located at Tchimbele (69 MW) and Kinguele (58 MW) on the M'Bei River, as well as Poubara on the Ogooue River. Other electricity is produced by gas-fired thermal plants (210 MW) and a heavy-fuel power station (30 MW). Gabon has approximately 6,000 MW of undeveloped hydroelectric potential.

Gabon's electricity sector is operated by the Société d'Electricité et d'Eaux du Gabon (SEEG). SEEG has been 51% owned by [Vivendi](#) (formerly Compagnie Générale des Eaux), a French firm, since 1997. Electricity rates have fallen since that time, largely because Vivendi has led efforts to improve the country's generating capacity and its transmission/distribution network. The remaining shares of SEEG are owned by SEEG employees (5%) and the public (44%).

SEEG supplies electricity to approximately 520,000 people in Gabon, centered around the cities of Libreville, Port Gentil and the inland city of Franceville. A current investment venture proposes improving the quality of supply and extending electricity to other areas of the country.

Sources for this report include: Africa Energy and Mining; Africa News Service; African Energy; CIA World Factbook; Economist Intelligence Unit ViewsWire; Global Insight; International Monetary Fund; International Oil Daily; Oil and Gas Journal; PanAfrican News Agency; Petroleum Intelligence Weekly; Platts Oilgram News; U.S. Energy Information Administration; World Bank; World Markets Analysis

COUNTRY OVERVIEW

President: El Hadj Omar Bongo (since December 2, 1967)

Prime Minister: Jean-Francois Ntoutoume-Emane (since January 23, 1999)

Independence: August 17, 1960 (from France)

Population (July 2004E): 1,355,246

Location/Size: West Central Africa, bordering the Atlantic Ocean at the Equator between Cameroon, the Congo and Equatorial Guinea/267,667 square kilometers (103,347 square miles), about the size of Colorado

Major Cities: Libreville (capital); Port Gentil

Languages: French (official), Fang, Myene, Nzebi, Bapounou/Eschira, Bandjabi

Ethnic Groups: About 40 Bantu tribes including four major tribal groupings (Fang, Bapounou, Nzebi, Obamba); 154,000 expatriates from Europe and the rest of Africa (10,700 French and 11,000 persons of dual nationality)

Religion: Christian 55%-75%, animist, Muslim less than 1%

ECONOMIC OVERVIEW

Minister of Finance: Paul Toungui

Currency: Communauté Financière Africaine franc (XAF); note - responsible authority is the Bank of the Central African States (BEAC)

Market Exchange Rate (10/13/04): US \$1 = 535 XAF

Nominal Gross Domestic Product (GDP, 2003E): \$6 billion

Real GDP Growth Rate (2003E): 2.2% **(2004E):** 1.1% **(2005F):** 0.4%

Nominal GDP Per Capita (2003E): \$4,414 **(2004E):** \$5,916 **(2005F):** \$5,175

Inflation Rate (2003E): 2.1% **(2004E):** 1.0% **(2005F):** 2.6

Total External Debt (2003E): \$3.8 billion

Trade Balance (2003E): \$1.96 billion **(2004E):** \$2.32 billion **(2005F):** \$1.89 billion

Major Trading Partners (2003): US (52.2%), France (8.9%), China (7.6%), Japan (4.0%)

Merchandise Exports (2003E): \$2.7 billion **(2004E):** \$3.2 billion **(2005F):** \$2.8 billion

Merchandise Imports (2003E): \$0.77 billion **(2004E):** \$0.84 billion **(2005F):** \$0.89 billion

Major Export Products: crude oil (75%), timber, manganese, uranium

Major Import Products: machinery and equipment, foodstuffs, chemicals, petroleum products, construction materials

Human Development Index (2002): 0.637 (8th highest out of 47 African nations)

ENERGY OVERVIEW

Minister of Mines, Energy, Oil, and Hydraulic Resources: Richard Onouviat

Proven Oil Reserves (Oil and Gas Journal; 1/1/04E): 2.5 billion barrels

Oil Production (2003E): 289,700 barrels per day (bbl/d)

Oil Consumption (2003E): 12,000 bbl/d

Net Oil Exports (2003E): 289,680 bbl/d

Major Crude Oil Customers: United States, France, China

Crude Oil Refining Capacity (Oil and Gas Journal; 1/1/04E): 17,300 bbl/d

Natural Gas Reserves (Oil and Gas Journal; 1/1/04E): 1.2 trillion cubic feet (Tcf)

Natural Gas Production (2002E): 3.0 billion cubic feet (Bcf)

Natural Gas Consumption (2002E): 3.0 Bcf

Electric Generation Capacity (1/1/2002E): 0.4 gigawatts (Gwh)

Electricity Production (2002E): 1.16 billion kilowatthours (Bkwh)

ENVIRONMENTAL OVERVIEW

Minister of Forest Economy, Water, Fishing, and in charge of Environment: Emile Doumba

Total Energy Consumption (2002E): 0.04 quadrillion Btu* (0.1% of world total energy consumption)

Energy-Related Carbon Dioxide Emissions (2002E): 4.78 million metric tons (<0.1% of world carbon dioxide emissions)

Per Capita Energy Consumption (2002E): 29.2 million Btu (vs U.S. value of 339.1 million Btu)

Per Capita Carbon Dioxide Emissions (2002E): 3.65 metric tons (vs U.S. value of 5.5 metric tons)

Energy Intensity (2002E): 5,478 Btu / \$1995 -- PPP (vs U.S. value of 10,619 Btu / \$1995 -- PPP)
**

Carbon Dioxide Intensity (2002E): 0.65 metric tons of carbon dioxide / thousand \$1995 -- PPP (vs U.S. value of 0.55 metric tons/thousand \$1995 -- PPP)**

Fuel Share of Energy Consumption (2002E): Oil (68%), Natural Gas (9%), Hydroelectric (23%)

Fuel Share of Carbon Dioxide Emissions (2002E): Oil (99.9%), Natural Gas (0.1%)

Status in Climate Change Negotiations: Non-Annex I country under the United Nations Framework Convention on Climate Change (ratified January 21, 1998). Not a signatory to the Kyoto Protocol.

Major Environmental Issues: Deforestation and poaching.

Major International Environmental Agreements: A party to Conventions on Biodiversity, Climate Change, Desertification, Endangered Species, Law of the Sea, Marine Dumping, Ozone Layer Protection, Ship Pollution, Tropical Timber 83, Tropical Timber 94, Wetlands.

* The total energy consumption statistic includes petroleum, dry natural gas, coal, net hydro, nuclear, geothermal, solar, wind, wood and waste electric power.

**GDP based on CIA World Factbook estimates based on purchasing power parity (PPP) exchange rates.

OIL AND GAS INDUSTRIES

State Oil Company: Société Nationale Pétrolière Gabonaise

Major Refineries (capacity - bbl/d): Sogara in Port Gentil (17,300 bbl/d)

Oil Terminals: Onshore: Cap Lopez, Oguendjo, Gamba, Port Gentil Offshore: Lucina, M'Bya

Major Foreign Oil Company Involvement: Amerada Hess, Broken Hill Petroleum, Devon Energy, Energy Africa, Eni, Marathon, PanAfrican Energy, Perenco, Petrofields, Petronas, Pioneer Natural Resources, Shell, Sasol Petroleum International, Total, Vaalco, Vanco

LINKS

For more information from EIA on Gabon, please see:

[EIA - Country Information on Gabon](#)

Links to other U.S. government cites:

[CIA World Factbook - Gabon](#)

[U.S. Department of Energy's Office of Fossil Energy's International section - Gabon](#)

[U.S. Department of State Consular Information Sheet, Gabon](#)

The following links are provided solely as a service to our customers, and therefore should not be construed as advocating or reflecting any position of the Energy Information Administration (EIA) or the United States Government. In addition, EIA does not guarantee the content or accuracy of any information presented in linked sites.

[Gabon News Links](#)

[Mbendi Africa Information](#)

[African Union \(formerly Organization of African Unity\)](#)

[Strategic Road- Gabon](#)

[Africa News Service](#)

[Washington Post World Reference: Gabon](#)

[African Development Bank Fact Sheet: Gabon](#)

[World Bank Fact Sheet: Gabon](#)

You may be automatically notified via e-mail of updates to this or other country analysis briefs. To join any of our mailing lists, go to http://www.eia.doe.gov/listserv_signup.html, and follow the directions given.

[Return to Country Analysis Briefs home page](#)

Page last modified: November 4, 2004

Contact: Elias Johnson

Elias.Johnson@eia.doe.gov

Phone: (202) 586-7277

Fax: (202) 586-9753

[EIA Home](#)

[Contact Us](#)

URL: <http://www.eia.doe.gov/emeu/cabs/gabon.html>